

Message Text

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ACTION ARA-06

INFO OCT-01 SS-14 ISO-00 L-01 SCA-01 /023 W

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R 041500Z JUN 75

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC 0361

C O N F I D E N T I A L SAN JOSE 2232

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E.O. 11652: XGDS-1

TAGS: EGEN, CS

SUBJECT: FACIO MEETING WITH JUSTICE

REF: STATE 124766

1. DURING AMBASSADOR'S CALL MAY 30, FONMIN FACIO EXPRESSED REGRET THAT HIS MEETING WITH SAGOR AND OTHERS DID NOT GO WELL. HE EXPLAINED THAT HE WAS HARRIED WITH OAS MEETING AND NOT WELL PREPARED FOR THIS INTERVIEW, REMINDING AMBASSADOR THAT MATTERS IN QUESTION HAD BEEN LARGELY HANDLED BY OTHERS IN HIS LAW FIRM AND THAT HE HAD REQUESTED ADVANCE INDICATION OF QUESTIONS TO BE ASKED SO HE COULD PREPARE HIMSELF AND BE HELPFUL.

2. FACIO SAID HE WILL HAVE PROFESSIONAL ASSOCIATE BY NAME OF OREAMUNO (POSSIBLY RODRIGO OREAMUNO BLANCO). CALL SAGOR ON TELEPHONE AND THEN SEND TO HIM DIRECTLY COPIES OF RECORDS OF HIS LAW FIRM PERTAINING TO INTER-AMERICAN CAPITAL. FACIO STRESSED THAT THESE RECORDS WOULD BE FURNISHED WITH INTENT TO BE FULLY COOPERATIVE BUT ON A BASIS OF STRICTEST CONFIDENTIALITY, SINCE THE CLIENT/LAWYER RELATIONSHIP IS INVOLVED HERE AND HIS FIRM COULD BE SUED IF THIS BECAME KNOWN. EMBASSY URGES THAT EVERYTHING BE DONE TO ASSURE CONFIDENTIAL

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PROTECTION OF THIS ARRANGEMENT.

3. FACIO WENT ON TO SAY THAT HE HAS TRIED SINCE MEETING WITH SAGOR TO RECALL MORE EXACTLY THE ORIGINS OF THE INTER-AMERICAN CAPITAL INVESTMENT HERE. AS HE REMEMBERS IT, THE ORGANIZATION WAS ORIGINALLY REGISTERED IN COSTA RICA WITH ONLY \$10,000 CAPITALIZATION. SUBSEQUENTLY THIS WAS INCREASED TO \$6 MILLION WITH MONEY FROM FOF, AND A LAWYER FOR THE GROUP (FACIO GAVE AS SOMETHING LIKE CHENEY, BUT WAS PROBABLY CERNY) CAME TO SAN JOSE TO SIGN THE NECESSARY PAPERS FOR THAT PURPOSE. LATER, FACIO UNDERSTANDS, CERNY ARRANGED TO SELL THIS STOCK TO A PANAMANIAN COMPANY (EMBASSY PRESUMES THAT WAS OTHPHOENIX) FOR \$60 MILLION, POCKETING THE PROFIT FOR HIMSELF AND HIS GROUP (PRESUMABLY VESCO). LATER INTER-AMERICAN CAPITAL MADE INVESTMENTS IN COSTA RICA WHICH FACIO BELIEVES MAY HAVE AMOUNTED TO \$25-\$28 MILLION. FACIO BELIEVES THIS COMPLICATED SERIES OF MANEUVERS MAY HAVE BEEN INTENDED NOT ONLY TO "WASH" THE MONEY BUT ALSO TO SAVE ON COSTA RICAN NOTARIAL AND OTHER FEES WHICH ARE PROGRESSIVE THE LARGER THE ORIGINAL INVESTMENT.

4. FACIO STRESSED THAT THE ABOVE REPRESENTS HIS BEST READING OF THE DEVELOPMENTS IN QUESTION; HE HAS NO REPEAT NO PROOF TO SUPPORT HIS INTERPRETATION. HE SAID HE WOULD HAVE SAID ALL THIS TO SAGOR IF HE HAD HAD TIME TO PUT HIS THOUGHTS IN ORDER.
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Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BUSINESS FIRMS, INVESTIGATIONS, MINISTERIAL VISITS, MEETINGS, ATTORNEYS, DIPLOMATIC DISCUSSIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 04 JUN 1975
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975SANJO02232
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: X1
Errors: N/A
Film Number: D750193-1051
From: SAN JOSE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750681/aaaacwih.tel
Line Count: 88
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: STADIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: STADIS
Reference: 75 STATE 124766
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 08 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08 SEP 2003 by CunninFX>; APPROVED <13 NOV 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FACIO MEETING WITH JUSTICE
TAGS: EGEN, OVIP, CS, INTER-AMERICAN CAPITAL SA, (FACIO SEGRED, GONZALO), (SAGOR, ELLIOT)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006